GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2465
ANSWERED ON:04.12.2007
TEA PRODUCTION
Pallani Shamy Shri K.C .

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the total quantity of tea produced in the Nilgiris region in the country;

(b) whether the farmers engaged in the production of tea in the Nilgiris region are not getting adequate remunerative and support price for their produce;

(c) if so, the reasons therefor; and

(d) the steps taken/proposed to be taken to improve the production of tea in the Nilgiris region as well as provide remunerative and support price to the tea growers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) : Average annual production of tea in Nilgiris region is around 90 million kgs.

(b) to (d): The price of a commodity, including tea, is determined primarily by the market forces of demand and supply. Nearly 40% of the total production in Nilgiris region comes from the small grower sector. The small growers do not have their own processing facilities and supply their green leaf to tea factories either owned by a private entrepreneur, called Bought Leaf Factory, or to the nearest big tea garden factory. In order to ensure that the growers get fair return for their green leaf, Tea Board has put in place a price sharing formula under which the tea factories are required to pass on 60% of the net sale proceeds to the growers. The said price sharing formula is subject to revision to ensure that the small tea growers get a reasonable price of their produce.

In order to improve production and productivity of tea in the country including Nilgiris region, Tea Board is implementing a number of plan schemes for development of tea sector under which financial and technical assistance is provided to the tea sector. Government has recently set up a Special Purpose Tea Fund for funding Replantation and rejuvenation activities aimed at improving the age profile of tea plantations with a view to increase productivity and to improve the quality of tea.